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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

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MEMORANDUM FOR: Director, National Reconnaissance Office

SUBJECT: FY 1973 Financial Program, FY 1974 Budget
and FY 1975 thru FY 1978 Planning

REFERENCE: [redacted] dated 25 February 1972

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1. The following is in reference to guidance contained in the referent memorandum. Paragraph 5 contains a recommendation for your approval.

2. The above reference deviates considerably from practice that has been in effect for many years and is apparently based on possible managerial changes which have been proposed. It does not recognize the fact that we still retain a requirement for commonality and upgrade of our fifth aircraft, even though it is on temporary loan to the Air Force. With the winding down in the war in Southeast Asia I would anticipate a return of this aircraft in the near future. It would thus be appreciated if you would consider the proposals below.

3. Number of Aircraft - Reference indicates that it will be assumed that four U-2R's will be assigned to the CIA fleet. There are, in fact, five U-2R's assigned to CIA, one of which is on loan to SAC. As CIA presently retains responsibility for all five U-2R's, we feel it essential that we plan for the support of all five aircraft and our estimate should be prepared accordingly.

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Page 2

25X1

4. IDEALIST/SENIOR YEAR Common Account -

Paragraph A on page 3 of reference states that "the IDEALIST/SENIOR YEAR Common Account will be the estimating responsibility of Director D rather than CIA." It is the responsibility of the SPO to maintain the standard baseline configuration of the U-2R. In order to execute this responsibility the SPO should be capable of exercising control of budgeting, funding and contracting applicable to the Common Account. Apart from the discharge of its responsibilities as SPO, we think it more practical for CIA to submit the budgetary estimates as the contracting is done through CIA, the funds are allocated to CIA and the official obligation record is maintained by CIA. Accordingly, it appears more appropriate that the estimates for this account continue to be the responsibility of CIA. In our view, it is premature to make the changeover in budgetary responsibility before such policy has been approved and a transfer of aircraft is accomplished. The CIA is presently the SPO for all U-2R aircraft.

5. It is recommended that you approve submission of the estimates for the IDEALIST/SENIOR YEAR Common Account by CIA and that we budget for five aircraft.

CARL E. DUCKETT

Director, CIA Reconnaissance Programs

The recommendation contained in paragraph 5 is approved:

Director, National Reconnaissance Office

Date

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Page 3

25X1

SIGNATURE RECOMMENDED:

[Redacted Signature]

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Director of Special Activities

9 March 1972
Date

DD/SA [Redacted] hlm (8 Mar 72)

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